

**STIPULATED AWARD
NASD Dispute Resolution**

In the Matter of the Arbitration Between

Name of Claimant

Nasreen M. Jalil

and

04-03649
Chicago, Illinois

Name of Respondents

Merrill Lynch Pierce Fenner & Smith, Inc.
Walter Charles Szturma
Merrill Lynch & Company

Nature of the Dispute: Customer vs. Member, Associated Person and Non-Member.

REPRESENTATION OF PARTIES

Nasreen M. Jalil ("**Claimant**") was represented by Robert E. Thompson, Esq., The Law Offices of Robert E. Thompson, San Francisco, California.

Merrill Lynch Pierce Fenner & Smith, Inc. and Walter Charles Szturma ("**Respondents**") were represented by Alan Wolper, Esq. and Myra Mormile, Esq., Sutherland Asbill & Brennan, LLP, Atlanta, Georgia.

CASE INFORMATION

The Statement of Claim was filed on or about May 20, 2004. Submission Agreement of Claimant Nasreen M. Jalil was signed on May 11, 2004.

Joint Statement of Answer was filed by Respondent Merrill Lynch Pierce Fenner & Smith, Inc. and Walter Charles Szturma on or about February 10, 2005. Submission Agreement of Respondent Merrill Lynch Pierce Fenner & Smith, Inc. was signed on December 13, 2004. Submission Agreement of Respondent Walter Charles Szturma was signed on December 16, 2004.

Claimant and Respondents filed a Joint Stipulation to Dismiss Merrill Lynch & Company on January 25, 2005.

CASE SUMMARY

Claimant asserted the following causes of action: breach of fiduciary duty, fraud and deceit, misrepresentation, negligence, money had and received, breach of oral contract, unsuitability of investment, churning, and failure to supervise.

Unless specifically admitted in their Answer, Respondents denied any and all allegations made in the Statement of Claim and asserted, among other things, the following defenses: failure to state a claim; equitable doctrines of waiver, laches, unclean hands and estoppel; claimant authorized, directed and ratified all of the transactions in her account; all activity was suitable; maintenance of an adequate system of supervision and control over its employees; and at all times acted in good faith; statutes of limitations.

RELIEF REQUESTED

Claimant requested an award in the amount of \$850,000.00 in compensatory damages and \$150,000.00 in punitive damages, plus interest, restitution, rescission, costs, and attorney's fees.

Respondents requested that the Panel issue an award (1) dismissing the Statement of Claim in its entirety; (2) assessing all forum fees and costs against Claimant; and (3) granting Respondents such other, further and different relief as this Panel may deem just and proper.

OTHER ISSUES CONSIDERED & DECIDED

Claimant and Respondents filed a Joint Stipulation to Dismiss Merrill Lynch & Company on January 25, 2005.

Claimant and Respondents entered into a confidential settlement agreement. In connection with this agreement, Claimant dismissed all claims with prejudice against Respondents. Therefore, the parties submit this Stipulated Award to the Panel for its consideration and request that it be entered.

The parties have agreed that the Stipulated Award in this matter may be executed in counterpart copies or that a handwritten, signed Stipulated Award may be entered. In either case, the parties have agreed to receive conformed copies of the award while the original(s) remain on file with the NASD Dispute Resolution (the "NASD").

AWARD

After considering the pleadings, the testimony, and the evidence presented at the hearing and the submissions of the parties, the undersigned arbitrators have decided in full and final resolution of the issues submitted for determination as follows:

1. Claimant's claims are hereby denied and dismissed with prejudice
2. Pursuant to Rule 2130 of the NASD Code of Arbitration Procedure, the Panel affirmatively finds that Respondent Walter Charles Szturma was not involved in any investment-related sales practice violations, forgery, theft, misappropriation, or conversion of funds. In support of this finding, the Panel relies upon the Respondents' answer and any exhibits attached thereto. See Notice to Members 04-16 (March 2004). In addition, the Arbitration Panel considered the evidence and exhibits presented at the telephonic hearing conducted on August 30, 2006.
3. The Panel recommends the expungement of all reference to the above-captioned arbitration from Respondent Walter Charles Szturma's registration records maintained by the NASD Central Registration Depository ("CRD"), with the understanding that pursuant to NASD Notice to Members 99-09 and 99-54, Respondent Szturma must obtain confirmation from a court of competent jurisdiction before the CRD will execute the expungement directive.
4. Each party shall bear its own costs and expenses associated with the above-referenced arbitration, including attorneys' fees, except as fee as specifically addressed below.
5. That to the extent not specifically awarded or otherwise provided for above, all other claims and requests for relief by any party hereto are denied with prejudice.
6. Other than the Forum Fees noted below, the parties shall each bear all other costs and expenses incurred by them in connection with this proceeding, including but not limited to attorneys fees, not specifically awarded or otherwise provided for above.

FEES

Pursuant to the Code, the following fees are assessed:

Filing Fees

NASD Dispute Resolution will retain or collect the non-refundable filing fees for each claim:

Initial claim filing fee = \$375.00

Member Fees

Member fees are assessed to each member firm that is a party in these proceedings or to the member firm(s) that employed the associated person(s) at the time of the event(s) giving rise to the dispute. In this matter, the member firm(s) is Merrill Lynch Pierce Fenner & Smith, Inc.

Member surcharge	\$	2,250.00
Pre-hearing process fee	\$	750.00
Hearing process fee	\$	4,000.00
Total Member Fees	\$	<u>7,000.00</u>

Forum Fees and Assessments

The Arbitration Panel assesses forum fees for each hearing session conducted. A hearing session is any meeting between the parties and the arbitrator(s), including a pre-hearing conference with the arbitrator(s), that lasts four (4) hours or less. Fees associated with these proceedings are:

1 Pre-hearing session(s) with a single arbitrator	x	\$450.00	\$	450.00
January 9, 2006	1	Session		
1 Pre-hearing session(s) with Panel	x	1,200.00	\$	1,200.00
May 2, 2006	1	Session		
1 Hearing session	x	1,200.00	\$	1,200.00
August 30, 2006	1	Session		
Total Forum Fees			\$	<u>2,850.00</u>

The Arbitration Panel has assessed \$550.00 of the forum fees to Nasreen M. Jalil.

The Arbitration Panel has assessed \$550.00 of the forum fees to Merrill Lynch Pierce Fenner & Smith, Inc.

The Arbitration Panel has assessed \$1,750.00 of the forum fees to Walter Charles Szturma.

Fee Summary

Claimant, Nasreen M. Jalil, is liable for:

Initial Filing Fee	= \$	375.00
<u>Forum Fees</u>	= \$	550.00
Total Fees	= \$	<u>925.00</u>
<u>Less payments</u>	= \$	<u>-1,575.00</u>

Balance to be refunded by NASD Dispute Resolution = \$ - 650.00

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. is liable for:

Member Fees	= \$	7,000.00
<u>Forum Fees</u>	= \$	550.00
Total Fees	= \$	7,550.00
<u>Less payments</u>	= \$	-7,000.00
Balance Due NASD Dispute Resolution	= \$	550.00

Respondent, Walter Charles Szturma, is liable for:

<u>Forum Fees</u>	= \$	1,750.00
Total Fees	= \$	1,750.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,750.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

Herbert S. Channick, Esq. - Public Arbitrator, Presiding Chair
Mark L. Adams - Public Arbitrator
Martin Liebman - Non-Public Arbitrator

Concurring Arbitrators:

Herbert S. Channick

Herbert S. Channick, Esq.
Public Arbitrator, Presiding Chair

Sept 7, 2006
Signature Date

Mark L. Adams
Public Arbitrator

Signature Date

Martin Liebman
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance to be refunded by NASD Dispute Resolution = \$ - 650.00

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. is liable for:

Member Fees	= \$	7,000.00
<u>Forum Fees</u>	= \$	550.00
Total Fees	= \$	7,550.00
<u>Less payments</u>	= \$	-7,000.00
Balance Due NASD Dispute Resolution	= \$	550.00

Respondent, Walter Charles Szturma, is liable for:

<u>Forum Fees</u>	= \$	1,750.00
Total Fees	= \$	1,750.00
<u>Less payments</u>	= \$	-0.00
Balance Due NASD Dispute Resolution	= \$	1,750.00

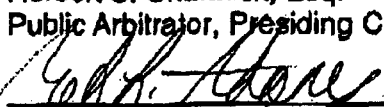
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ARBITRATION PANEL

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Mark L. Adams - Public Arbitrator
Martin Liebman - Non-Public Arbitrator

Concurring Arbitrators:

Herbert S. Channick, Esq.
Public Arbitrator, Presiding Chair


Mark L. Adams
Public Arbitrator

Signature Date


9/7/06
Signature Date

Martin Liebman
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)

Balance to be refunded by NASD Dispute Resolution = \$ - 650.00

Respondent, Merrill Lynch Pierce Fenner & Smith, Inc. is liable for:

Member Fees	= \$ 7,000.00
<u>Forum Fees</u>	= \$ 550.00
Total Fees	= \$ 7,550.00
<u>Less payments</u>	= \$ -7,000.00
Balance Due NASD Dispute Resolution	= \$ 550.00

Respondent, Walter Charles Szturma, is liable for:

<u>Forum Fees</u>	= \$ 1,750.00
Total Fees	= \$ 1,750.00
<u>Less payments</u>	= \$ -0.00
Balance Due NASD Dispute Resolution	= \$ 1,750.00

All balances are due to NASD Dispute Resolution

ARBITRATION PANEL

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Mark L. Adams - Public Arbitrator
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Concurring Arbitrators:

Herbert S. Channick, Esq.
Public Arbitrator, Presiding Chair

Signature Date

Mark L. Adams
Public Arbitrator

Signature Date

Martin Liebman
Non-Public Arbitrator

Signature Date

Date of Service (For NASD office use only)